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Panel Split on Whether U.S. Retirement System Is Too Generous

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APRIL 29/16 : The leader of the nation's largest federal employee union, two area congressmen with large constituencies of federal workers, and the Reagan administration's chief personnel officer agreed yesterday that government workers have a more generous retirement system than those available to people in the private sector.

"It's true, retirement is more generous," said Rep. Steny H. Hoyer (D-Md.), "... but it's offsetting pay that has fallen behind."

Hoyer, Rep. Frank R. Wolf (R-Va.), Donald J. Devine, director of the Office of Personnel Management, and Kenneth T. Blaylock, president of the American Federation of Government Employees, discussed federal retirement during a luncheon forum sponsored by The Washington Post.

An edited transcript of the forum will be published in The Post on May 11.

OPM's Devine said that the Reagan administration—which has proposed raising the retirement age and wants federal workers to contribute more to their retirement fund—thinks the present system's annuities and cost-of-living adjustments are too attractive.

"Right now, employees can't afford not to retire," Devine said.

Robert Mueller, executive director of Taxpayers for Federal Pension Reform, and Edwin C. Husted, former chief actuary at OPM who now directs actuarial consulting services at Hay Associates, also participated in the discussion.

Blaylock, whose union represents 600,000 federal workers, said the retirement issue could not be addressed "in isolation." Employees, he said, "put up with" pay caps, RIFs (reductions-in-force) and cuts in health insurance benefits because they have been able to count on early retirement and generous annuities.

Even so, Blaylock added, more than 75 percent of eligible federal employees don't retire until age 61. Under present law, employees with 30 years' service can retire at age 55.

The Reagan administration proposes to reduce pension benefits of workers who retire before 65.

Wolf, saying federal workers no longer have much confidence in the figures coming out of OPM, urged support for his proposal to set up a bipartisan "blue ribbon" panel to study retirement and other federal employee issues "from the same data base."

He suggested former president Gerald R. Ford and David Henderson, former chairman of the House Post Office and Civil Service Committee, could head such a study.

Devine argued, however, that it is better to "make the changes and get the thing behind us" than to "upset" employees by making them wait a couple of years for the results of a study.

"They're upset now," Wolf replied. Devine said he and Blaylock agreed, in theory, that overall benefits for federal workers should be comparable to those in the private sector. They just disagreed, he said, on whether federal benefits are better.

"I think they're better," Devine said.

"AFGE will support any system based on comparability with the private sector on total compensation," Blaylock said.

But he said federal workers are not going to sit back and be attacked and used as scapegoats.